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FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X]

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 1992

OR

[ ]

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

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For the transition period from _____ to _____

Commission File Number 0-8418

OCEANEERING INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	95-2628227
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

16001 Park Ten Place, Suite 600, Houston, Texas	77084
(Address of principal executive offices)	(Zip Code)

(713) 578-8868
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✓, No __.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 31, 1992
Common Stock, $.25 Par Value	22,573,092 shares

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OCEANEERING INTERNATIONAL, INC.

QUARTERLY REPORT ON FORM 10-Q

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 1992 (unaudited)	March 31, 1992 (audited)
	(in thousands)	
ASSETS		
Current Assets:		
Cash and short-term investments	$ 24,651	$ 23,256
Accounts receivable (net of allowance for doubtful accounts of $1,332,000 at June 30 and $1,312,000 at March 31)	48,056	40,534
Prepaid expenses and other	3,604	3,137
Total Current Assets	76,311	66,927
Property and Equipment, at cost:		
Underwater services equipment	131,795	125,403
Offshore production equipment	29,667	26,801
Buildings, improvements and other	13,432	12,772
	174,894	164,976
Less: Accumulated Depreciation	105,810	99,799
Net Property and Equipment	69,084	65,177
Investments and Other Assets	4,249	4,204
TOTAL ASSETS	$149,644	$ 136,308
LIABILITIES and SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 9,959	$ 9,140
Accrued liabilities	25,717	23,997
Income taxes payable	6,032	5,195
Total Current Liabilities	41,708	38,332
Long-Term Debt	307	331
Other Long-Term Liabilities	12,042	12,439
Shareholders' Equity	95,587	85,206
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$149,644	$ 136,308

See Notes to Consolidated Financial Statements.

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

	For the Three Months Ended June 30,	
	1992	1991
	(in thousands, except per share amounts)	
Revenues	$45,588	$43,459
Cost of services	31,573	31,744
Selling, general and administrative expenses	6,875	6,789
Income from operations	7,140	4,926
Interest income (expense), net	(40)	480
Minority interest	(181)	(76)
Other income (expense), net	(57)	159
Income before income taxes	6,862	5,489
Provision for income taxes	(1,450)	(1,450)
Net income	$ 5,412	$ 4,039
Earnings per common share equivalent	$0.24	$0.18
Weighted average number of common share equivalents outstanding	22,871	22,712

See Notes to Consolidated Financial Statements.

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Three Months Ended June 30,	
	1992	1991
	(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 5,412	$ 4,039
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,702	1,375
Currency translation adjustments	4,689	(2,352)
Decrease (increase) in accounts receivable	(7,522)	(6,901)
Decrease (increase) in prepaid expenses and other current assets	(467)	(597)
Increase (decrease) in current liabilities	3,376	(773)
Increase (decrease) in other long-term liabilities	(397)	(279)
Total adjustments to net income	2,381	(9,527)
NET CASH PROVIDED BY OPERATING ACTIVITIES	7,793	(5,488)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(2,731)	(7,406)
Decrease (increase) in investments	(154)	189
Other	(3,769)	1,699
NET CASH (USED) IN INVESTING ACTIVITIES	(6,654)	(5,518)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt	(24)	(23)
Proceeds from issuance of common stock	280	177
NET CASH PROVIDED BY FINANCING ACTIVITIES	256	154
NET (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	1,395	(10,852)
CASH AND Short-term INVESTMENTS - BEGINNING OF YEAR	23,256	40,128
CASH AND Short-term INVESTMENTS - END OF PERIOD	$ 24,651	$ 29,276

See Notes to Consolidated Financial Statements.

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. **Basis of Presentation and Significant Accounting Policies**

These Consolidated Financial Statements are unaudited and have been prepared pursuant to instructions for the Quarterly Report on Form 10-Q required to be filed with the Securities and Exchange Commission and do not include all information and footnotes normally included in financial statements prepared in accordance with generally accepted accounting principles. Management has reflected all adjustments which it believes are necessary to present fairly the Company's financial position at June 30, 1992 and its results of operations and cash flows for the three month periods presented. The financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Registrant's Annual Report on Form 10-K for its fiscal year ended March 31, 1992. The results for interim periods are not necessarily indicative of annual results.

2. **Cash and short-term investments**

Cash and short-term investments includes demand deposits and highly liquid interest bearing investment grade securities. Approximately $1,700,000 and $1,600,000 as of June 30, and March 31, 1992, respectively, was restricted and is posted as security in interest bearing accounts related to litigation involving the Company's United Kingdom subsidiary. The Company believes it has adequate defenses to the claims and that the outcome will not have a material adverse effect on the financial position of the Company. The Company considers all highly liquid debt instruments with maturities of 90 days or less to be cash equivalents.

3. **Shareholders' Equity**

Shareholders' Equity consisted of the following:

	June 30, 1992 (unaudited)	March 31, 1992 (audited)
	(in thousands)	
Shareholders' Equity:		
Common Stock, par value $0.25;		
90,000,000 shares authorized;		
22,568,292 and 22,527,332 issued and outstanding	$ 5,642	$ 5,632
Additional paid-in capital	77,615	77,345
Retained earnings	8,433	3,021
Cumulative translation adjustments	3,897	(792)
Total Shareholders' Equity	$ 95,587	$ 85,206

4. **Income Taxes**

The provisions for income taxes were related to the operations of foreign branches and subsidiaries which were subject to local income and withholding taxes and to U.S. income taxes which were provided at estimated annual effective rates using assumptions as to earnings and other factors which would affect the tax calculation for the remainder of the fiscal year. Cash taxes paid were $524,000 and $145,000 for the periods ended June 30, 1992 and 1991, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Material Changes in Financial Condition

The Company expects to continue to be able to meet its ongoing cash requirements from existing cash on hand and from operating cash flows although, if significant investment opportunities arise, the Company may require the use of externally generated funds. In addition, the Company has two credit agreements in the amounts of $25,000,000 and $30,000,000. The $25,000,000 revolving credit agreement ("Credit Agreement"), shared equally by two participating banks, which can be converted into a term loan, provides for letters of credit and short-term borrowings subject to an accounts receivable borrowing base. Availability under the $25,000,000 Credit Agreement was approximately $17,300,000 at June 30, 1992 as a result of outstanding letters of credit. As of June 30, 1992, the availability under the $30,000,000 term loan facility, which reduces by $1,500,000 quarterly, was $27,000,000.

Total capital expenditures were $2,731,000 during the first quarter of fiscal 1993, as compared to $7,406,000 during the corresponding period of the prior fiscal year. Expenditures for fiscal 1993 consisted primarily of the acquisition of additional remotely operated vehicles ("ROVs") and upgrades to the Company's existing fleet of ROVs. Costs for the corresponding period in the prior year consisted of expenditures on the conversion of the Company's Floating Production, Storage and Offloading system ("FPSO") and the purchase of an offshore support vessel.

The Company is not aware of any circumstances which would cause a material adverse effect in respect to meeting its ongoing financial obligations. The Company operates primarily as a subcontracting services company under short-term day-rate contracts. However, the Company owns certain specialized capital assets, in particular, an FPSO, which, if not fully utilized, would have a negative effect on cash resources as a result of continuing fixed operating costs and reduced revenues. The FPSO was completed in December 1991 at a cost of approximately $26,800,000 and has been operating offshore Gabon since completion. The original FPSO contract provided for a three-year term, with a right of the oil company to terminate the contract after one year. The oil company has elected to exercise the termination right, effective December 1992. The Company believes that the FPSO is suitable for use in many other petroleum development areas, but is unable to predict the timing or rates of subsequent contracts for its use.

The primary market that the Company serves, oil and gas, is a cyclical industry and remains volatile. Although the oil and gas industry continues to be its principal market, the Company also performs services for the United States and foreign governments and the aerospace, nuclear and telecommunications industries.

The Company continues to seek opportunities for business combinations to improve its market position or diversify into new service lines. The Company has signed a letter of intent to acquire all the outstanding capital stock of Eastport International, Inc., a privately held designer, manufacturer and operator of advanced robotic systems and remotely operated vehicles, through the exchange of approximately 860,000 shares of Oceaneering common stock. The acquisition, which is subject to the execution of a definitive agreement, would be accounted for as a "pooling of interests" and is not expected to have a material impact on the results of the Company for fiscal 1993.

Material Changes in Results of Operations

Revenue and operating margin information is as follows:

	Three Months Ended June 30,	
	1992	1991
Revenues (in thousands)	$ 45,588	$ 43,459
Gross margins	31%	27%
Operating Margins	16%	11%

Revenues of $45,588,000 for the first quarter of fiscal 1993 were at approximately the same levels as for the first quarter of fiscal 1992 in all operating areas except for West Africa, which showed an increase primarily as a result of the Company's contract for the provision of an FPSO which commenced in December 1991 and two inspection, repair and maintenance contracts in Nigeria. The FPSO contract also had a favorable impact on the Company's gross margins compared to the corresponding period in the prior year. Although both gross margins and operating margins for the first quarter of fiscal 1993 showed an improvement over the comparable period in the prior year, the Company is experiencing increased downward pressure on prices in all areas and, in addition, is anticipating lower levels of demand for its services in certain operating areas.

Net interest expense was $40,000 for the three month period ended June 30, 1992, compared with net interest income of $480,000 for the comparable period of the prior year. The decrease in interest income reflects lower rates, interest rate hedge costs and reduced cash balances.

The provisions for income taxes were related to U.S. income taxes which were provided at estimated annual effective rates using assumptions as to earnings and other factors which would affect the tax calculation for the remainder of the fiscal year, and to the operations of foreign branches and subsidiaries which were subject to local income and withholding taxes.

Due primarily to business seasonality, the quarters ending June 30 and September 30 have generally been the Company's peak in both revenues and net income during its fiscal years. Subject to factors such as variances in work seasons and/or general market conditions, the quarters ending December 31 and March 31 have generally been the Company's low point in both revenues and net income. This difference may become less significant as the Company invests in capital projects which generally are less seasonal in nature.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.
None.

(b) The Company did not file any reports on Form 8-K during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OCEANEERING INTERNATIONAL, INC.
(Registrant)

Date: August 12, 1992 By: //s// JOHN R. HUFF
John R. Huff, President and
Chief Executive Officer

Date: August 12, 1992 By: //s// THOMAS R. HIX
Thomas R. Hix, Vice President
of Finance and Chief Financial Officer

Date: August 12, 1992 By: //s// RICHARD V. CHIDLOW
Richard V. Chidlow, Controller
and Chief Accounting Officer